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MT LEGISLATIVE HISTORY

Chapter 360 1985

Bill H _____ (S) 362 Original bill & hist. ___C

H. Committee on Business & Labor			S. Committee on Labor & Employment Relations		
Hearing Date(s)	Mar 20	✓C	Hearing Date(s)	Feb 19	✓C
		___C		Feb 21	✓C
		___C			___C
		___C			___C
Date Out	Mar 20	✓C		Feb 21	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

NOTE: The following testimonies appear in both committees. For the sake of economy they were only photocopied once:

Jim Murray
Guide to Fair Labor Standards Act
Kathleen Guehlstorff:
Women's Lobbyist Fund
Catholic Conference

(To be kept current -- post bills when entering being heard or leaving committee.) Form CS-32

STATUS SHEET

49TH LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND LABOR

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CONCURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CONCURRED IN DATE
340	3-7	3-26	3-26				3-26		
342	2-27	3-18	3-18				3-18		
343	2-27	3-15/3-18 3-29	3-29				3-29		
345	2-27	3-12	3-12				3-12		
349	2-27	3-25/3-28	3-28					3-28	
350	2-27	3-28	3-28				3-28		
353	3-7	3-21/3-27	3-27				3-27		
356	3-7	3-22/3-29 3-27/4-11		TABLED					
357	2-27	3-19/3-20	3-20				3-20		
362	2-27	3-20	3-20				3-20		
363	2-27	3-20	3-20				3-20		
399	2-27	3-27/3-28	3-28				3-28		
402	3-7	3-22/3-28 3-26	3-28					3-28	
404	2-27	3-18	3-18				3-18		
407	2-26	2-26	2-26				2-26		
408	2-27	3-25	3-25				3-25		

Use a separate sheet for Senate, House Bills

Department of Justice, stated this will bring the motor vehicle code into compliance with the UCC statute. Currently, the entire financial agreement must be filed and a source of conflict is apparent between the lending institutions, owner and motor vehicle clerks. Over 130,000 liens are filed each year and this will not prevent an individual from filing a lien.

Proponent John Cadby, representing the Montana Bankers Association, offered his support of the bill.

There being no further discussion by proponents and no opponents present, all were excused by the chairman and the hearing on Senate Bill 206 was closed.

SENATE BILL 362: Hearing commenced on Senate Bill 362. Senator Jack Haffey, District #33, sponsor of the bill, explained this raises the state minimum wage from $2.75 to $3.05 an hour after September 30, 1985, and to $3.35 an hour after September 30, 1986. This will bring the state minimum wage to the federal minimum wage. July of 1982 was the last increase and the consumer price index has had an eleven percent increase since that time. Senate Bill 362 will increase the state minimum wage by 10.9%. Those that receive these wages are still under the generally acceptable minimum living wage.

Proponent Gail Kline, representing the Women's Lobbyist Fund, supplied written testimony which is attached hereto as Exhibit 7.

Proponent Kathleen Guehlstorff, an ex-waitress, supplied written testimony which is attached hereto as Exhibit 8.

Proponent Louise Kunz, representing the Montana Low Income Coalition, supplied written testimony which is attached hereto as Exhibit 9.

Proponent Kathy van Hook, supplied written testimony which is attached hereto as Exhibit 10.

Proponent Nancy Hart, representing the Montana Democratic Party, stated that part of the democratic platform was to support an increase in the state minimum wage to the federal minimum wage. Ms. Hart also explained that this will not create any fiscal impact.

Proponent Jim Murry, Executive Secretary, Montana State AFL-CIO, supplied written testimony which is attached hereto as Exhibit 11.

Proponent John Ortwein, representing the Montana Catholic Conference, supplied written testimony which is attached hereto as Exhibit 12.

Proponent Phil Campbell, representing the Montana Educational Association, offered his support on behalf of the teachers and other school employees.

Proponent Dave Wanzenried, Commissioner, Department of Labor and Industry, offered his support of the bill and distributed to committee members Exhibit 13 which is attached hereto.

George Allen, representing the Montana Retail Association, was not present, but wished to go on record as a proponent.

There being no further discussion by proponents and no opponents present, all were excused by the chairman and the hearing on Senate Bill 362 was closed.

ACTION ON SENATE BILL 206: Representative Kitselman moved DO PASS on Senate Bill 206. Second was received, Senate Bill 206 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 362: Representative Kitselman moved DO PASS on Senate Bill 362. Second was received, Senate Bill 362 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 129: Representative Driscoll suggested Senate Bill 129 be placed in a sub-committee. Chairman Pavlovich appointed Representative Howe to chair the committee with Representatives Keller, Ellerd and Hart serving.

ACTION ON SENATE BILL 214: Representative Kitselman moved DO PASS on Senate Bill 214 and moved the Statement of Intent. The statement of intent did pass by unanimous vote. Representative Bachini offered a substitute motion that Senate Bill 214 DO NOT PASS and explained in his area there are not any dentists who favor this bill. Representative Kitselman stated this bill is permissive and is for administering a local anesthesia only. The hygienist must pass an examination and if the patient does not want the hygienist to administer this, they may ask for the dentist. Question being called, a roll call vote resulted in 5 members voting yes and 15 members voting no. The motion did fail. Representative Kitselmans DO PASS motion received a vote of 15 members voting yes and 5 members voting no. Senate Bill 214 will BE CONCURRED IN.

DAILY ROLL CALL

BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 20, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormick	✓		
Jerry Nisbet			✓
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

March 20 19 05

MR. Speaker

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 362

third reading copy (blue color)

RAISE MINIMUM WAGE TO $3.05 10-1-85, TO FEDERAL MINIMUM RATE ON 10-1-86

Respectfully report as follows: That SENATE Bill No. 362

DO PASS:
BE CONCURRED IN:

Rep. Pat Pavlovich, Chairman.

STATE PUB. CO.
Helena, Mont.

Exhibit 8
3/20/85
SB362
Submitted by:
Kathleen
Guehlstorff

TESTIMONY BY KATHLEEN GUEHLSTORFF

BEFORE THE HOUSE BUSINESS AND

LABOR COMMITTEE ON SENATE BILL 362

MARCH 20, 1985

Mr. Chairman and Members of the Committee:

I am testifying in favor of Senate Bill 362, to raise the state minimum wage. I have worked as a waitress off and on since 1971. Most recently I worked from September, 1984 to February, 1985. It is this last work experience that I will be referring to in my testimony. Before I proceed, I would like to absolve my former employer. The paying system is typical of restaurants in Montana and in no way reflects particularly bad management on the part of my former employer.

The base rate of pay was $ 3.10 an hour for waitresses. We paid for our own meals. Tips were arbitrarily assumed to be 8% of the total food bill for each of our customers and it was upor this that we were taxed. Our total tax was based, therefore, upon the sum of our hourly wage and the food bill percentage. For a gross amount of $288.15, for instance, earned over a two week pay period, I would actually take home a $85.94 paycheck. It was common for the waitresses to "live off their tips". However, these in -hand tips did not always equal the 8%of the food bill. Generally speaking, people tip the easiest amount possible. The average tip is "a Buck". So for a meal costing anywhere from $8-$30 , we would usually receive $1. There were many times when people left nothing at all even though we were being taxed upon their food bill. We called this "being stiffed". At the end of the day, we had to give 10% of our day's in - hand tips to the kitchen staff. That meant we were the only ones being taxed for tips even though we were giving 10% away.

At my former place of employment, lunch hours were the best times to make tips. Many times we made enough to get by, but quite often we made less than $5 for the lunch hour shift tips. This was very hard on the single mothers who used their tips to pay for child care. They claimed that on days like that it did not pay them to come to work. From the hours of 3:pm to 5:00pm business was very slow. More often than not the waitress working that shift made no tips at all during those hours.

Another aspect of the pay situation for waitresses is the inconsistency of scheduled hours to work. Even though our bills were due at set times and in fixed amounts, we were scheduled for different numbers of hours each week and for different shifts. Again, this put a real strain on the waitresses who were trying to arrange for child care.

Most people are under the assumption that waitresses make a lot of money in tips. That is certainly not the case for most waitresses in Montana. At the time I was hired, I was living on unemployment. It surprised me to learn that I brought home less than half of what I was making on unemployment as a waitress. Another misconception that people have is that if the cost of living is increased, for instance, a menu increase or a wage increase, the amount customers tip will be increased as well. I worked through a period of time at my last place of employment in which the cost of the food items was increased. I found there to be no concomitant increase in tipping. The average tip was still " a buck".

I believe that it would really help if the base rate of pay were increased because it would be a reliable source of income and not dependent on the whim of the customers.

Kathleen Guehlstorff
February 19, 1985

3/20/85

Exhibit 9
3/20/85
SB362
Submitted by: Louise Kunz
SB. 362

Louise Kunz
107 Lawrence
MT. Low Income Coalition

THE MLIC SUPPORTS SB362. MINIMUM WAGE IS CERTAINLY A LOW INCOME ISSUE. IT ALSO IS A FACTOR IN THE FEMINIZATION OF POVERTY. WHILE BOTH MEN & WOMEN ARE EFFECTED BY MINIMUM WAGE MORE JOBS HELD BY WOMEN FALL IN THIS CATAGORY.

TWO OF EVERY THREE ADULTS IN POVERTY ARE WOMEN. 75% OF THE POOR ARE WOMEN & CHILDREN. MANY WORKING WOMEN ARE UNABLE TO SUPPORT THEIR FAMILIES ON WHAT THEY EARN.

IT IS TIME FOR MT. TO ADDRESS THIS PROBLEM AND INCREASE MINIMUM WAGE. WE URGE THAT YOU PASS THIS BILL.

Exhibit 10
3/20/85
SB362

LAST CHANCE SURPLUS

Army—Navy Store

Submitted by:
Kathy von Hook
426 N. LAST CHANCE GULCH
HELENA, MT 59601
406 443-6408

March 20, 1985

Testimony of Kathy van Hook before the House Business and Labor Committee in support of SB 362

Mr. Chairman and other members of the Business and Labor Committee:

For the record, my name is Kathy van Hook.

This is a bill I strongly support and feel it is important for you to hear from business people who favor increasing the state minimum wage. I am an owner and co-manager of a family-run business in Helena that grosses less than $362,500 per year. We are not required to pay federal minimum wage, but we start new employees in excess of $3.35 per hour.

Every day, I face the need to keep our business expenses down, but I do not believe that over the long haul, employers save money by paying employees $2.75 an hour. The rate of pay a person receives is an indication to that person of their value to their employer. Equal only to an employer's working relationship with employees, pay is critical to employee economic well-being, morale, productivity, longevity, commitment and attitude.

We have been in business for over five years and attribute a significant part of our success to low turnover, good morale, low absenteeism and people who have a commitment to working with us to make our business successful.

Another Montana small business person, Gene Herndon of the Double Front cafes in Missoula and Bozeman, shares my feelings and agreed to let me quote from a recent interview with him in Western Business.

"Most of Mr. Herndon's 16 employees in Missoula are long-term. He has had one cook for 20 years. The daytime cook and waitress have both been there for 10 years. His bookkeeper has been with him for nine years (before that he did his own books).

'You pay a person what they're worth and they'll stay. You pay them minimum wage, and they'll be gone soon, and you won't have good help.'"

The cost of basic necessities is no less for employees in small businesses or small towns and $2.75 an hour will not buy the basic necessities.

Many full-time workers earning $2.75 an hour have, in the past, been eligible for federal assistance programs. With the recent cuts in many of these programs, we cannot count on their incomes being supplemented to help feed their families.

I urge you to give serious consideration to passage of SB 362.

Exhibit 11
3/20/85
SB362
Submitted by:
Jim Murry

MONTANA STATE AFL-CIO
APRIL 29 1936

Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF JIM MURRY ON SENATE BILL 362, HEARINGS OF THE HOUSE BUSINESS AND LABOR COMMITTEE, MARCH 20, 1985

Mr. Chairman and members of the committee, for the record, I am Jim Murry representing the Montana State AFL-CIO. We are here to wholeheartedly support passage of Senate Bill 362.

This proposal tackles an issue of basic equity. Minimum wage standards were originally enacted into law in order to provide an economic stabilization measure to lower income workers. These standards were enacted as much to protect the American economy from the extreme "lows" of economic recession as to help raise the living standards of those referred to as the "working poor".

The AFL-CIO has traditionally supported increasing minimum wage rates, not because our members are directly affected, but because we are deeply concerned about the working conditions and wage rates of all American workers. We also, as citizens of this country, benefit from the economic stabilization which occurs when people have money to put back into the economy, money earned from gainful employment.

A blue ribbon commission established by the U.S. Congress in 1977 spent three years studying minimum wage issues. According to the Minimum Wage Study Commission, it is a popular misconception that most workers receiving minimum wage are teenagers.

In 1980, 10.6 million workers held jobs at or below federal minimum wage and 69% of them were not teenagers. What was true then is even more likely now, with the economy in dire straits and unemployment remaining at persistently high rates. Neither the Montana economy nor the national economy is producing jobs that can replace the wages that have been lost over the past few years because of plant closures and layoffs.

Laid off workers, who have families to support, are being forced more and more into those jobs that only pay federal or state minimum wage rates. Our entire economy, from the local main street merchant to the national banker, will suffer in the future from this basic transition.

The $3.35 minimum wage proposed by this bill for 1986 would still only provide $134 for a 40-hour week. That may mean a total of $6,985 for a year, before taxes from which to pay rent, utilities, food, clothing and other necessities. These workers' earnings go directly into paying for daily survival. Therefore, any increase in the minimum wage rate will go directly into the Montana economy, stimulating other businesses while helping to create more employment.

PRINTED ON UNION MADE PAPER

Very often, those who work for minimum wage are workers with few skills who end up in dead-end jobs with little chance for advancement. More and more Montana family breadwinners are dependent on the incremental increases granted by this legislative body raising the minimum wage as their only weapon against economic devastation.

Minimum wage workers bear a disproportionate share of the burden of economic hard times. Please vote to grant this critically necessary increase of the state minimum wage rate.

Thank you.

Exhibit 12
3/20/85
SB362
Submitted by: John Ortwein

Montana Catholic Conference

March 19, 1985

CHAIRMAN PAVLOVICH AND MEMBERS OF THE HOUSE BUSINESS AND LABOR COMMITTEE:

I am John Ortwein representing the Montana Catholic Conference.

I am here today as a supporter of Senate Bill 362.

The first draft of the Bishops' Pastoral on the economy begins with this quote: "The dignity of the human person, realized in community with others, is the criterion against which all aspects of economic life must be measured."

A study by the Federal Reserve Board, Division of Research and Statistics, entitled, "Survey of Consumer Finances, 1983" which was completed in September of 1984, gave the following information. The poorest fifth of the U.S. population received only 4% of the total personal income in the country in 1982, and the poorest two-fifths got only 13%. The richest fifth got 49% of the total income that year. It also noted that disproportionate numbers of the poor are women and minorities.

Passage of Senate Bill 362 is a step in helping women , minorities, and others to a self-realization of their dignity as persons. I urge your support.

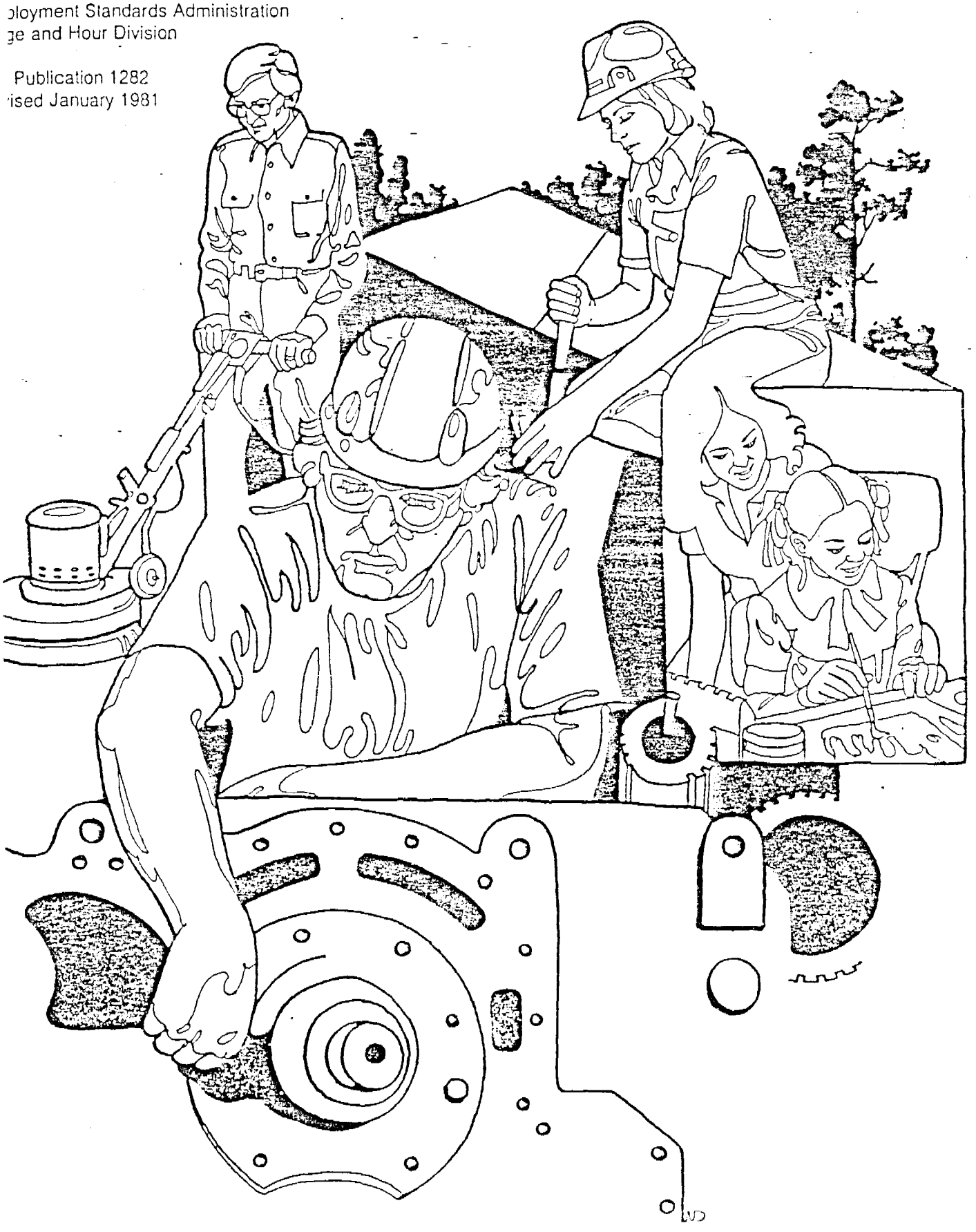
Tel. (406) 442-5761 P.O. BOX 1708 530 N. EWING HELENA, MONTANA 59624

andy Reference Guide to e Fair Labor Standards Act

Exhibit 13
3/20/85
SB362
Submitted by:
Dave Wanzenried

. Department of Labor
ɔloyment Standards Administration
ge and Hour Division

Publication 1282
ised January 1981



The Fair Labor Standards Act establishes minimum wage, overtime pay, record-keeping and child labor standards affecting more than 50 million full-time and part-time workers.

Basic Wage Standards

Covered non-exempt workers are entitled to a minimum wage of not less than $3.35 an hour beginning January 1, 1981 and should receive overtime pay at a rate of not less than one and one-half times their regular rates of pay after 40 hours of work in a workweek.

Wages required by the Act are due on the regular pay day for the pay period covered. Deductions made from wages for such items as cash shortages, merchandise shortages, etc., are not legal to the extent they reduce the wages of employees below the minimum rate required by the Act or reduce the amount of overtime compensation due under the Act.

Hospitals and residential care establishments may adopt, by agreement with the employees, a 14-day overtime period in lieu of the usual 7-day workweek, if the employees are paid at least time and a half their regular rates for hours worked over 8 in a day or 80 in a 14-day work period, whichever is the greater number of overtime hours.

The Act contains some exemptions from these basic standards. Some apply to specific types of business; others apply to specific kinds of work.

While the FLSA does set basic minimum wage and overtime pay standards and regulates the employment of minors, there are a number of employment practices which the Act does **not** regulate. For example, the FLSA does not require:

- vacation, holiday, severance or sick pay
- rest periods, holidays off, or vacations
- premium pay for weekend or holiday work
- pay raises or fringe benefits
- a discharge notice, reason for discharge, or immediate payment of final wages to terminated employees

These and similar matters are for agreement between the employer and the employees or their authorized representatives.

Who Is Covered?

All employees of certain enterprises having workers engaged in interstate commerce, producing goods for interstate commerce, or handling, selling, or otherwise working on goods or materials that have been moved in or produced for such commerce by any person are covered by the Act.

A covered enterprise is the related activities performed through unified operation or common control by any person or persons for a common business purpose and is—

(1) engaged in laundering or cleaning clothing or fabrics; or

(2) engaged in the business of construction or reconstruction; or

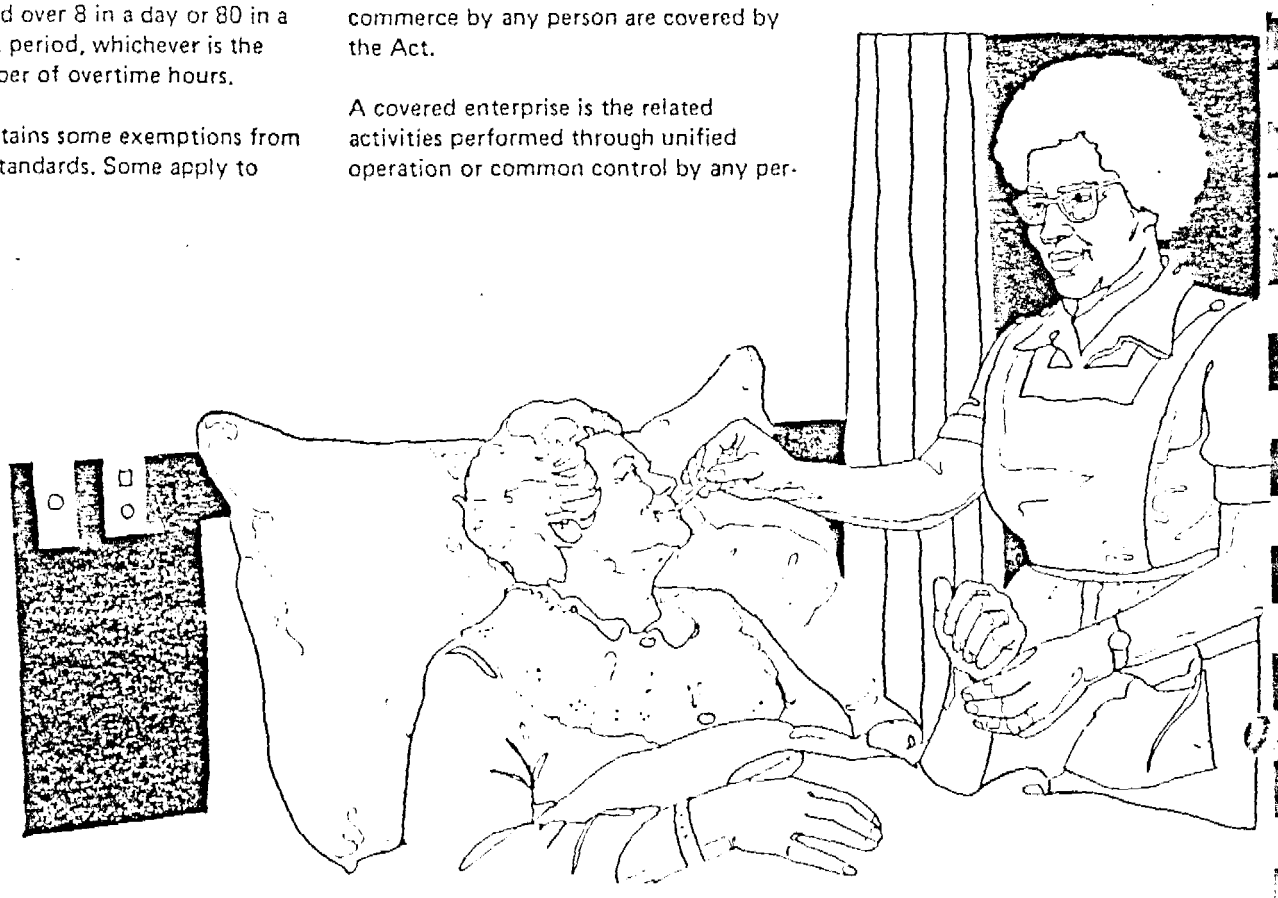
(3) engaged in the operation of a hospital; an institution primarily engaged in the care of the sick, the aged, the mentally ill or defective who reside on the premises; a school for mentally or physically handicapped or gifted children; a preschool, an elementary or secondary school; or an institution of higher education (regardless of whether or not such hospital, institution or school is public or private or operated for profit or not for profit); or

(4) comprised exclusively of one or more retail or service establishments (as defined in the Act) whose annual gross volume of sales or business done is not less than—

Beginning July 1, 1978
$275,000

Beginning July 1, 1980
$325,000

Beginning January 1, 1982
$362,500



(Any retail or service enterprise which had an annual gross volume of not less than $250,000 on June 30, 1978 and which later ceases to be a covered enterprise as a result of increases in this dollar volume test must continue to pay its employees at least the minimum wage in effect at the time of the enterprise's removal from coverage, as well as overtime in accordance with the Act.)

or

(5) any other type of enterprise having an annual gross volume of sales or business done of not less than $250,000

The dollar volume standard mentioned above in (4) and (5) excludes excise taxes at the retail level which are separately stated.

Federal employees are subject to the minimum wage, overtime, and child labor provisions of the Act. Employees of State and local governments are subject to the same provisions, unless they are engaged in traditional governmental activities. The Supreme Court has indicated that such traditional governmental activities include schools, hospitals, fire prevention, police protection, public health, parks and recreation.

Employees who are not employed in a covered enterprise may still be entitled to the Act's minimum wage, overtime pay, and child labor protections if they are individually engaged in interstate commerce. These include—

(a) communication and transportation workers;
(b) employees who handle, ship, or receive goods moving in interstate commerce;
(c) clerical or other workers who regularly use the mails, telephone, or telegraph for interstate communication or who keep records on interstate transactions;
(d) employees who regularly cross State lines in the course of their work; and
(e) employees of independent employers who perform clerical, custodial, maintenance, or other work for firms engaged in commerce or in the production of goods for commerce.

Domestic service workers such as maids, day workers, housekeepers, chauffeurs, cooks, or full-time baby sitters are covered if they (1) receive at least $50 in cash wages in a calendar quarter from their employer or (2) work a total of more than 8 hours a week for one or more employers.

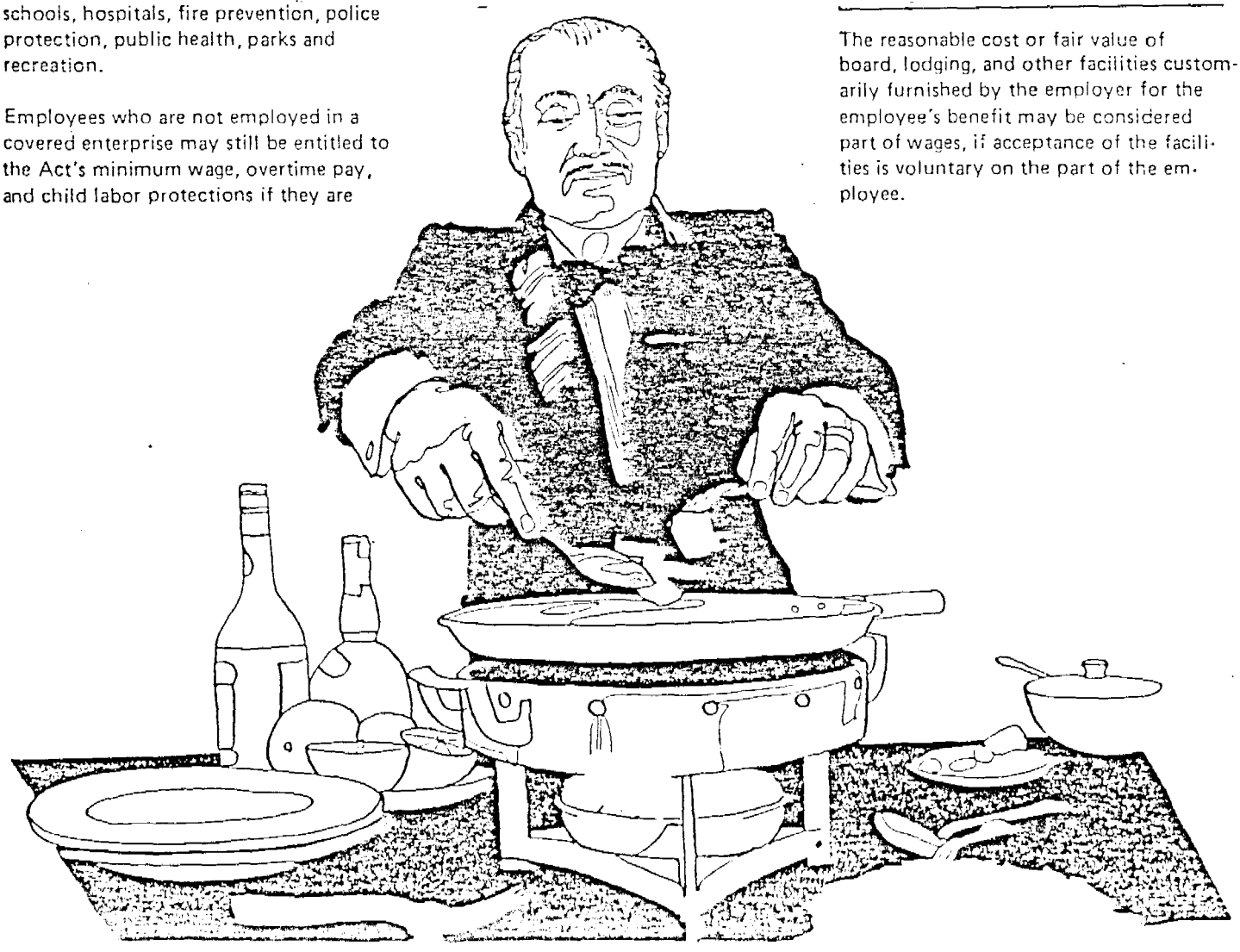
Tipped Employees

Tipped employees are those who customarily and regularly receive more than $30 a month in tips. The employer may consider tips as part of wages, but such a wage credit must not exceed 40 percent of the minimum wage.

The employer who elects to use the tip credit provision must inform the employee in advance and must be able to show that the employee receives at least the minimum wage when direct wages and the tip credit allowance are combined. Also, employees must retain all of their tips, except to the extent that they participate in a valid tip pooling or sharing arrangement.

Employer-Furnished Facilities

The reasonable cost or fair value of board, lodging, and other facilities customarily furnished by the employer for the employee's benefit may be considered part of wages, if acceptance of the facilities is voluntary on the part of the employee.



Montana Retail Association

Executive Office
P.O. Box 440
34 West Sixth
Helena, MT 59624
Phone (406) 442-3388

March 12, 1985

Representative Bob Pavlovich, Chairman
House Business and Labor Committee
Capitol Station
Helena, Montana 59620

Dear Chairman Pavlovich,

Due to a conflict of time schedule I will be unable to attend your hearing on SB 362 which raises the state minimum wage to correspond with the federal minimum wage.

The Montana Retail Association would like to go on record as supporting SB 362.

Respectfully,

George Allen
Executive Vice President
Montana Retail Association

VISITORS' REGISTER

Business and Labor COMMITTEE

BILL NO. Senate Bill 362 DATE March 20, 1985

SPONSOR Senator Haffey

NAME (please print)	RESIDENCE	SUPPORT	OPPO
JOHN DRYDEN	429 S. CALIFORNIA · HELENA	✓	
Nancy J. Harte	Mt. Democratic Party	✓	
Louise Kunz	MT-Low Income Coalition	✓	
Gail Kline (WLF)	GT. Falls	362 ✓	
Kathy A VAN HOOK	HELENA	✓	
Kathy Overlstorff	Helena	✓	
Anne Brodsky	WLF	✓	
Tom Lynch Vernon	MET	✓	
Phil Campbell	MEA	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT F

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

OPPONENTS OF SENATE BILL 393:

Eileen Robbins, representing the Montana Nurses' Association, rose in opposition to Senate Bill 393. (Exhibit No. 4)

Jim Murry, Executive Secretary, AFL-CIO, submitted testimony in opposition to SB 393. (Exhibit No. 5)

David Wanzenried, Commissioner of the Montana Department of Labor and Industry, gave the committee a handout on Unemployment Insurance Benefits Adjudication and Appeal Process. (Exhibit No. 6)

QUESTIONS FROM THE COMMITTEE:

Senator Thayer asked who the members of the board are and what their background is.

David Wanzenried said that Mike Whalen, an attorney from Billings, is the chairman; Arlen Plowman from Helena, represents employees; Jerry Overmier with the First Bank in Helena, represents employers. One member represents employees, one represents employers and there is a neutral chairman.

Senator Blaylock asked Mr. Wanzenried if he has the statistics of the number of times the Board of Appeals has overturned the ruling of the personnel officers.

David Wanzenried replied that he had some statistics with him which he would give to Senator Blaylock.

With no further questions from the committee, Senator Keating closed. He said what we are dealing with are claims for unemployment compensation. The dispute that occurs is between the employer and the employee as to the eligibility of the employee to draw from that unemployment fund when he loses his job. To put them into a category of employer and employee, he called the employee a claiment. Under the original determination the averages fell in favor of the employer about 55% of the time and in favor of the claimant about 45% of the time on the average through those three years. About 70% of the decisions made by the referee were in favor of the employer, and about 30% of the decisions went to the claimant

The hearing was closed on Senate Bill 393.

CONSIDERATION OF SENATE BILL 362:

Vice-chairman Manning, acting as Chairman, called on Senator Lynch who presented Senate Bill 362 for Senator Halley, who was excused. Senate Bill 362 increases the minimum wage to

30 cents per hour for each of the next two years. He said employees can't make ends meet on the present minimum wage.

PROPONENTS OF SENATE BILL 362:

Gail Kline, representing Women's Lobbyish Fund, spoke in favor of Senate Bill 362 and submitted testimony. (Exhibit No. 7)

Jim Murry, Executive Secretary of AFL-CIO, rose in support of Senate Bill 362 and submitted testimony. (Exhibit No. 8)

Dave Wanzenried, Commissioner, Montana Department of Labor and Industry, gave the committee a handy reference guide to the Fair Labor Standards Act. (Exhibit No. 9)

Kathleen Guehlstorff, representing herself, testified in favor of Senate Bill 362 and submitted testimony. (Exhibit 10)

Kelly Chandler, representing the Women's Lobbyist Fund, read as testimony, a letter from Kathy Van Hook who was not able to attend today. (Exhibit No. 11)

John Ortwein, representing the Montana Catholic Conference, rose in support of Senate Bill 362. (Exhibit No. 12)

OPPONENTS OF SENATE BILL 362:

George Allen, representing the Montana Retail Association, rose in opposition to SB 362. (Exhibit No. 13)

Janell Fallen, representing the Montana Chamber of Commerce, said that Mr. Allen had said everything she wanted to say. The Chamber opposes Senate Bill 362.

QUESTIONS FROM THE COMMITTEE:

Senator Keating asked Mr. Wanzenried, with regards to the raises in federal minimum wage and state minimum wage, if he had ever read national reports in regard to unemployment caused by the raise in the federal minimum wage.

Dave Wanzenried said no, but he had read reports regarding state minimum wage.

Senator Keating said he was talking about the unemployment. As the minimum wage goes up, is there a greater degree of unemployment, specifically attributable to the increase in the minimum wage. Dave Wanzenried said no.

Senator Thayer asked what category of people and how many people fall into this category.

There was no answer to that question.

Senator Blaylock asked Kathleen Guehlstorff if she works in Helena. Kathleen Guelstorff said yes. Senator Blaylock asked what her daily average intake in tips was. Kathleen Guelstorff said it depended on what shift she worked. The average would range from five to ten dollars.

Senator Towe asked Mr. Wanzenried if he had any statistics or information about who was affected by this bill. Dave Wanzenried said he didn't have that information. Senator Towe asked where these people work. Dan Wanzenried said in retail services, motels and hotels.

Mike Stump answered the question further. He represents Labor Standards Division of Department of Labor. He said Montana law covers employees that are not covered by the Fair Labor Standards.

Senator Thayer said Mr. Stump was talking about a percentage that has to deal with the number of employers. He asked if one could make a further assumption that of that 69,000 people who might fall into that category, a great deal of them are probably receiving more. Mike Stump said Senator Thayer was correct.

Senator Lynch closed the hearing on Senate Bill 362. He said we are talking about the people who are making the very least and those are the people Senator Haffey is trying to address in his bill.

Vice-chairman Manning turned the chair back over to Chairman Lynch.

The hearing was closed on Senate Bill 362.

ADJOURNMENT:

The meeting was adjourned at 2:20 p.m.

Chairman, Senator J. D. Lynch

bd

Labor and Employment COMMITTEE

48th LEGISLATIVE SESSION -- 1985 Date 2/19/85

NATE SEAT #

NAME	PRESENT	ABSENT	EXCUSED
1 Senator Aklestad	X		
46 Senator Blaylock	X		
9 Senator Haffey			X
20 Senator Keating	X		
19 Senator Manning	X		
33 Senator Thayer	X		
Sentor Towe	X		
Chairman Lynch	X		

Each day attach to minutes.

COMMITTEE ON Labor & Employment

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppose
Marshall Fox	The IR	356		
Mike Ryan	The Montana Standard	356		
DON MCKEEVER	GREAT FALLS TRIBUNE	356		
George Plimpton	The Billings Gazette	356		
Dick Wesnick	The Billings Gazette	356		
Laura Sanders	Montana League of CWA	362	✓	
Edren Robbins	Montana Nurses Assoc	393		X
George Allen	Mt. Retail Assn	357	✓	
Gary Allen	" " "	362		✓
Larry Abra	" " "	393	✓	
Mike Strump	Labor & Industry			
Holly Franz	MONTANA	362	✓	
John Oates	Mt Cath Conf	362	✓	
Jennifer Gardner			✓	
Mark Sullivan	MT Chamber	393	X	
Kathleen Gransbergoff	Womens Lobbyist Fund	362	✓	
Carlie Sullivan	MT Chamber	362		✓
Mark Kline	Women's Lobbyist Fund	362	✓	
David Manzanares	Dept of Labor	362 393	✓	✓
Kelly Chandler	Womens Lobbyist Fund	362	✓	
Jim Driscoll	MT Stockgrowers Assn	393	✓	
Ann Gilles	MT. Hospital Products Assn	393	✓	
Jack Martens	Insurance Corp	393	X	

(Please leave prepared statement with Secretary)

COMMITTEE ON _____

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
"				
Mike Donnelly	MACO	362 393		—
in Person	Lobbyist AFL-CIO	362	X	
" "	" "	393		X
" "	" "	356		X
L. M. Flowell				

(Please leave prepared statement with Secretary)

February 18, 1985

Testimony of the Women's Lobbyist Fund by Gail Kline, before the Senate Labor and Employment Committee in support of SB 362

Mr. Chairman and other members of the Labor and Employment Committee:

For the record, my name is Gail Kline, representing the Women's Lobbyist Fund (WLF), speaking in favor of SB 362.

The passage of SB 362 is a major issue for the WLF because poverty is a major issue for women.

A 1979 study shows that nationally, one out of every three families headed by women lives in poverty, compared to one out of nine households headed by men. ("Women Who Head Families: Employment Problems and Perspectives," Employment and Training Report of the President 1979, p. 95). In Montana, over 30% of households headed by females have an income below poverty level. Over 38,000 Montana women over 16 years old earn an income below poverty level.

In Fiscal year 1983, the Montana Job Service placed 1,317 women at jobs that pay less than federal minimum wage. That same year, twenty-six per cent more women than men were placed in jobs paying less than $3.35 per hour.

Minimum wage in Montana is currently $2.75/hour. This rate has been in effect since July 1982. The inflation rate since 1982 has totaled more than 12%. The gross annual income for a full-time worker at $2.75 an hour is $5,720 per year, $2,760 below the Federal poverty level for a family of three. SB 362 proposes a two step increase: $3.05 the first year and $3.35 the second year. This amounts to a gross annual increase of $624 each year. This is not very much money but it would mean an extra $1.70 per day for food, rent power bills and medical care, and $3.40 per day the second year.

We all know that the cost of living in Montana is not low. We are very close to, and in several areas above, the national average. An index report of the American Chamber of Commerce Researchers Association for the third quarter of 1984 shows, with the national average being considered at 100, that Billings was rated at 105.7; Great Falls, 94.3; Havre, 97.1; Missoula, 95.6; Kalispell, 103.7; Helena, 101.2. We cannot continue to expect workers to earn $..60 less an hour than the Federal minimum wage in a state where the cost of economic survival rivals costs nationwide. In 1984 in Montana, there were more than 800 single working women with families required to supplement their income with Aid to Families with Dependent Children.

All taxpayers are being required to subsidize employers who do not pay their employees enough to feed their families.

"To ignore these implications is unconscionable negligence. The bodies, minds, spirits of millions of women and children are being inevitably affected by the dispiriting hand of poverty." (A Growing Crisis: Disadvantaged Women and their Children. U.S. Commission on Civil Rights, May 1983.)

(This sheet to be used)

NAME: Kelly Chandler DATE: 2-19-85

ADDRESS: Box 1099 Helena, Mt 59624

PHONE: 449-7917

REPRESENTING WHOM? Kathy van Hook, small business owner

APPEARING ON WHICH PROPOSAL: S.B. 362

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENT: Kathy van Hook was unable to attend and asked that I read her letter of testimony.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Montana Retail Association

Executive Office
P.O. Box 440
34 West Sixth
Helena, MT 59624
Phone (406) 442-3388

SENATE BILL NO. 362

Mr. Chairman and Members of this Committee:

For the record, my name is George Allen, Executive Vice President for the Montana Retail Association.

We are here to oppose S.B. 362. This bill will hurt the small retailer and businessmen. Expecially those located in the small rural communities.

This bill only effects the small guy. The Federal law already deals with this problem in the medium and larger businesses.

Productivity in a small store is extremely low compared to the super markets. Example: In a small store it is not uncommon for a clerk to sell below $100 in an eight-hour shift, compared to a checker in a supermarket who can take in several thousand dollars in an eight-hour shift!!

According to the Small Business Administration, last year there were over 100 small business that went broke in Montana. It just doesn't make sense to me that during these tough economic times we should be considering raising the state minimum wage.

We strongly urge you to kill Senate Bill No. 362.

Respectfully,

GEORGE E. ALLEN
Executive Vice President

Chairman Lynch stated that in the next couple weeks we could draft a letter.

Senator Manning withdrew his motion.

Senator Manning made a motion to table SB 220. He said if it is studied and reviewed with close scrutiny, there might be a justifiable end whereby workers are looked at in a little better way.

Senator Keating asked Seantor Towe if he was talking about the equity within the table of the injuries itself.

Senator Towe replied "no " He said the indemnification concept means you get indemnification whether you are disabled or not, according to the table.

Senator Keating said he thinks the intent of the study should be spelled out in the letter, like a statement of intent, so we know what we're directing it at.

On a voice vote, the committee voted that SB 220 be tabled. MOTION PASSED.

ACTION ON SB 356: Senator Keating made a motion that SB 356 do pass. THE MOTION FAILED. (See the attached roll call sheet)

ACTION ON SENATE BILL 362: Senator Manning made a motion that SB 262 do pass. On a voice vote, with Senator Keating voting "no" and all others voting yes, the MOTION CARRIED.

ACTION OF SB 393:

Senator Keating moved the amendments that he presented on the previous day. In a voice vote, the committee voted unanimously that the AMENDMENTS DO PASS.

Senator Keating made a motion that SB 393 DO PASS AS AMENDED. MOTION PASSED with a 3-5 vote. (See roll call vote sheet)

Senator Manning requested to reverse the vote to make it a "do not pass." (See the attached roll call vote sheet.)

Senator Keating requested a minority/majority report.

RECONSIDERATION OF ACTION ON SB 356: Senator Aklestad asked for a reconsideration of action and a Do Pass for SB 356. Senator Manning was asked to chair the meeting as vice-chairman.

On a roll call vote, the committee voted 4-4 tie. (See attached roll call sheet)

STANDING COMMITTEE REPORT

February 21 19 85

MR. PRESIDENT

We, your committee on Labor and Employment Relations

having had under consideration Senate Bill No. 362

first reading copy (white color)

RAISE MINIMUM WAGE TO $3.05 10-1-85, TO FEDERAL MINIMUM RATE ON 10-1-85

Respectfully report as follows: That Senate Bill No. 362

DO PASS

~~DO NOT PASS~~

SENATOR J.D. LYNCH Chairman.

Labor and Employment COMMITTEE

48th LEGISLATIVE SESSION -- 1985 Date 2/21/85

NATE
EAT
#

	NAME	PRESENT	ABSENT	EXCUSED
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33	Senator Thayer	X		
	Sentor Towe	X		
5	Chairman Lynch	X		

Each day attach to minutes.